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- 1. Call to Order
- 2. Administrative Matters
 - Approval of meeting Minutes from May 13, 2020
 - Status of additional committee nominations
- 3. Updates from Committee members
- 4. Reopening Concord Stephen Crane
- 5. MA Community Development Block Grant Covid-19 Beth Williams
- 6. Potential for Town to Provide Financial Support Henry Dane
- 7. Other Business
- 8. Public Comment
- 9. Adjournment

Department of Housing and Community Development Notice of Funding Availability

Community Development Block Grant COVID-19 (CDBG-CV)

COMMBUYS Document Number: DHCD2020-34

I. Funding Opportunity: CDBG-CV Overview

With this Notice of Funding Availability (NOFA) and Guidance, the Department of Housing and Community Development (DHCD) is announcing that \$19.65M of Massachusetts Community Development Block Grant – CV (CDBG-CV) funds is available to eligible municipalities to respond to COVID-19.

These special CDBG-CV funds were appropriated through the CARES Act of 2020 and are being awarded to DHCD by the Department of Housing and Urban Development (HUD) via amendment to the existing DHCD CDBG FY2019 One Year Action Plan. This NOFA and guidance material should be read in conjunction with the FY 2019 One Year Action Plan, as well as the CDBG-CV substantial amendment to the FY 2019 One Year Action Plan. The One Year Action Plan, as amended by the CDBG-CV substantial amendment, provides the underlying policy and takes precedence over language in all program components within this guidance. The FY 2019 Action Plan and CDBG-CV substantial amendment are available on DHCD's website at https://www.mass.gov/service-details/community-development-block-grant-cdbg...

- Eligible municipalities and residents: State CDBG-CV funds are available to benefit all non-entitlement municipalities and their residents. A list of entitlement municipalities that are not eligible for State CDBG-CV funds is included as Exhibit 1 of the 2019 One-Year Action Plan and at the end of this NOFA.
- 2. National Objective Compliance: Unless otherwise approved by DHCD, all activities funded with CDBG-CV funds must meet a CDBG national objective of primarily benefitting low and moderate income (LMI) persons (≤ 80% area median income (AMI) as adjusted for household size), as described in the FY 2019 CDBG One Year Action Plan. Note, depending on forthcoming guidance from HUD, it is possible that in some cases municipalities may propose activities that would meet the CDBG urgent need national objective but do not primarily benefit LMI persons. Applicants wishing to do so should consult with DHCD before proposing this direction. Absent such guidance from HUD, DHCD intends to allocate the \$19.65M of CDBG-CV as follows:

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- Up to \$10M for rental and mortgage assistance to income eligible households residing in all non-entitlement municipalities (up to 80% of the area median income (AMI). In order to ensure statewide coverage, DHCD intends to enter into a direct contract with existing regional administering agencies, pending HUD waiver approval. In this case, municipalities do not need to apply to DHCD for this activity—please see Section II.A. below for more detail.
- Up to \$9.65M to be allocated on a competitive basis to for municipalities to deliver public social services and microenterprise assistance to address conditions related to impacts of the COVID-19 pandemic, based on the criteria set forth below.
- 3. Regional Approaches and Economies of Scale: DHCD encourages municipalities to enter into regional partnerships for applications. All regional applications must identify a lead applicant that will receive the award and be responsible for implementation of the grant on behalf of the others. Existing Mini Entitlements may participate in regional applications and DHCD encourages them to act as lead applicants.

DHCD encourages applicants to reach out to established regional organizations that have experience in carrying out the types of activities available for funding to assist them with developing and managing programs, especially for municipalities in the less populated areas of the Commonwealth. Many of the Commonwealth's community development corporations, regional planning agencies, community development financial institutions and private CDBG consultants have this experience.

 Award Distribution & Limits: DHCD will award grants in a manner that provides for an equitable distribution of funds and ensures that areas with the greatest need and greatest impacts from COVID-19 are served.

No single municipality may receive more than \$400,000 for any combination of activities, exclusive of the Rental and Mortgage Assistance. Applicants may request up to 15% of an award amount for administration of the program and activities.

DHCD reserves the right to reallocate CDBG-CV funds among the activities and municipalities in order to best address the needs and requirements of municipalities to respond to the COVID-19 pandemic. Additionally, DHCD reserves the right to award all or only part of the funds requested in any proposal in whole or in part, or to reject any and all proposals received.

DHCD reserves the right at any time and without notice to cancel or recommence this NOFA, narrow or amend its scope, or reject any and all responses if DHCD determines that a fair and open competitive procurement has been compromised

or that doing so is in the best interest of the Commonwealth. DHCD reserves the right to use this NOFA and responsive applications to allocate future CDBG-CV awards without further notice.

II. CDBG-CV Eligible Activities

A. Emergency Rental and Mortgage Assistance (no municipal application required)

DHCD will make available up to \$10 million in CDBG-CV funding to provide emergency rental and mortgage assistance to income eligible residents of the non-entitlement municipalities of the Commonwealth. DHCD will be coordinating with the existing Residential Assistance for Families in Transition Program (RAFT Program) and using other state and federal funding sources to deliver this program to all communities in the Commonwealth through the existing RAFT Administering Agencies (RAAs).

- CDBG-CV funds will be available to residents of non-entitlement municipalities earning up to 80% of the AMI for the municipality in which they live, with a priority for residents who earn more than qualifying RAFT Program income limits (50% AMI or 60% AMI for those experiencing domestic violence).
- Eligible residents may receive up to 3 months of assistance and a maximum of \$4,000.
- Approved assistance will be provided directly to a landlord or lender, as appropriate.
- Residents will apply directly to RAAs.
- Municipalities do not need to apply to DHCD for residents to be eligible for this assistance.

DHCD will distribute a separate notice when the CDBG-CV Rental and Mortgage Assistance funds are available. DHCD anticipates HUD's approval of a DHCD waiver request to allow for direct contracting with entities other than non-entitlement jurisdictions. Should HUD deny the waiver request, DHCD will seek an alternative method for distributing the funds to the RAAs.

B. Microenterprise Assistance and Public Social Services (application required)

DHCD will make a total of up to \$9,651,876 to municipalities proposing to offer both Microenterprise Assistance and/or Public Social Services specifically to address conditions related to impacts of the COVID-19 pandemic. Municipalities may submit an application for one or both activities. Awards will be limited to a maximum of \$400,000 per single municipality.

1. CDBG-CV Microenterprise Assistance

Municipalities, working with local or regional partners, may apply for CDBG-CV funds to provide grant funding of up to \$10,000 per business to qualifying microenterprises adversely impacted by COVID-19. This assistance can be used to facilitate economic development through the stabilization and expansion of microenterprises. Applicants may design programs that best fit the needs of their municipality so long as they meet the parameters and minimum eligibility requirements described below. DHCD strongly encourages joint or regional applications so that program funds will be used to benefit a greater number of municipalities and will allow municipalities to partner with established entities that have the capacity to implement microenterprise assistance.

Microenterprise Activity Parameters

- a. For CDBG, the term "microenterprise" means a commercial enterprise that has 5 or fewer employees, 1 or more of whom owns the enterprise. A microenterprise assistance activity may qualify under the Low-Moderate Income (LMI) Limited Clientele national objective criteria if either the activity assists (1) owner(s) of the microenterprise who are LMI persons (≤80% of the AMI, based on family size), or (2) a microenterprise that serves a LMI neighborhood or community-wide area in which at least 51% of its residents are LMI persons. For guidance, see FY 2019 One Year Action Plan.
- b. To document compliance with national objective based on ownership by LMI persons, applicants must qualify the business for assistance based on supporting income documentation of family (2018 or 2019 tax returns business and personal) or other approved income verification method. For guidance see FY 2019 One Year Action Plan.
- c. CDBG-CV grantees must prevent the duplication of benefits, which means grant funds may not be used to pay costs if another source of financial assistance is available to pay that cost. This must be certified through the application from the business.
- d. Applicant/Beneficiary data and progress reports must be reported to DHCD on a quarterly basis.
- e. Grants must be capped at up to \$10,000 per business.
- f. Funds may be used for working capital to cover business costs, such as rent, staffing, and utilities.
- g. Microenterprise Assistance Program funds <u>may not be used</u> for major equipment purchases, purchase of real property, construction activities, business expansion, or lobbying.

Microenterprise Required Minimum Eligibility Criteria:

In order for a commercial enterprise to be eligible for a grant, it must:

a. Be a microenterprise, as defined in II.B.1.a. above.

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- b. Be a for-profit entity (sole proprietorships, partnerships, corporations, or LLCs).
- c. Have a physical establishment in the city/town of application or in at least one of the regional participant city/towns.
- d. Provide goods or services to multiple clients or customers.
- e. Business must be currently in operation and have been established prior to 1/1/2019.
- f. Be in good standing with the state and city/town:
 - Be current on all taxes due through 3/1/2020;
 - Active and valid state licenses/registrations, if applicable; and
 - Not a party to litigation involving the state or municipality.
- g. Be able to document a loss of income equal to or greater than requested assistance due to COVID-19.
- h. Not be listed as one of the following excluded business types:
 - real estate rentals/sales businesses;
 - businesses owned by persons under age 18;
 - businesses that are chains;
 - liquor stores;
 - weapons/firearms dealers;
 - lobbyists; or
 - cannabis-related businesses.

2. Public Social Service and other eligible activities that address impacts of COVID-19

The Massachusetts CDBG Program will make CDBG-CV funding available to eligible municipalities to pursue Public Social Services activities designed to assist persons that have been impacted by the COVID-19 virus. Eligible public social service activities include but are not limited to:

- Food Assistance Assistance for food banks; food delivery and access programs such as meals on wheels or other services that provide food to individuals that are unable to do so on their own.
- Homelessness assistance designed to help individuals made homeless or to prevent homelessness from impacts of COVID-19. However, rental or mortgage assistance is not eligible under this category.
- Job training to expand the pool of health care workers and technicians.
- Other social services that can be demonstrated to be addressing impacts of COVID-19.

In the CDBG-CV substantial amendment, DHCD has waived the 15% cap on Public Social Services pursuant to the CARES Act.

III. Application Requirements and Process

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Municipalities wishing to submit applications for funding for both or either Public Social Services or Microenterprise Assistance activities above should submit only one application, including the following components:

- 1. Maximum 2-page letter of interest on municipal letterhead signed by the chief elected official (e.g., chair of the select board or mayor) (of the lead municipality, if submitting a regional application), clearly stating:
 - a. Identity of the person who will serve as contact for the application including name, title, address, phone number and email.
 - b. The amount being requested;
 - c. The activities to be covered (Public Social Services and/or Microenterprise Assistance);
 - d. List of all municipalities to be served through activities, if submitting a regional application;
 - e. List of partner consultants, agencies, or community-based organizations who will implement the program with the municipality(ies); and
 - f. Dates and times of public hearing(s) (virtual) that was held per the Citizen Participation and Public Hearings requirements below.
- 2. Maximum 4-page application for how each activity will be delivered, addressing the following issues:
 - a. Justification for need in each municipality, citing COVID-19 economic and health impacts in the municipality or region.
 - b. Explanation of how the proposed activity(ies) will directly address impacts.
 - c. Detail on the proposed number of persons to be served by the activity(ies).
 - d. Process and timeline for implementing the activity(ies).
 - e. Demonstration that applicant and partners have capacity to manage the grant and implement activities, citing previous experience with delivering the services, documenting CDBG national objectives, and ensuring prevention of the duplication of federal benefits.
 - f. Description of how the applicant/grantee will monitor activities for compliance with state and federal provisions.
- 3. A budget detailing how funds will be utilized and identifying other leveraged funds that will be put toward the activity.
- 4. Provide completed environmental review by the applicant, or by the lead applicant in a joint application.

Citizen Participation and Public Hearings

Applicants are required to hold at least two formal public hearings during a CDBG-CV grant cycle. At least one must be held before submitting an application for CDBG-CV funds.

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- Applicants may hold virtual public hearings to satisfy this requirement, but the
 hearings must be held consistent with the Open Meeting Law, G.L. c. 30A, s. 20,
 and any emergency orders issued by the Governor that are in effect at the time
 of the public hearings.
- Notice and opportunity to comment of at least 5 days must be provided to the public before each hearing.
- Each hearing notice must include the date and time of the hearing and the method for offering comments. All participating jurisdictions of an application must be included in the hearing notice.
- Applications must identify the dates and times of the hearings. DHCD will not require submission of documentation of the public hearings in applications, but documentation including minutes, discussion and comments must be maintained on file by the applicant to be produced at DHCD's request.

IV. Evaluation:

DHCD will evaluate all applications according to the following criteria:

- a. <u>Community need:</u> taking into consideration both public health impacts due to COVID-19 and economic development needs prior to and as a result of COVD-19.
- b. <u>Scale and impact</u>: taking into consideration number of individuals to be served and impact of services to respond effectively to the COVID-19 crisis. In order to ensure broader geographic reach, regional collaborations will receive higher consideration.
- c. Budget/Value: taking into consideration cost/value per individuals to be served.
- d. <u>Capacity to Deliver:</u> taking into consideration the applicant's and partner's demonstrated ability to deliver services and perform activities, while also complying with CDBG requirements.

In the process of evaluation of the application, DHCD may:

- Solicit and verify information from any local, state or federal agencies and other entities, and based on that information, reduce, increase or deny an award to a municipality.
- Reduce or increase an award to a municipality (compared to the amount requested in the municipality's application) to assure that a grant budget is reasonable.
- Fund a project or activity, fully or partially, from other state resources.

 Reduce or deny a grant, or place special conditions on a grant, based on the management capacity of the municipality or the current or proposed administering agency.

V. Technical Assistance and Frequently Asked Questions (FAQ):

DHCD will accept questions through May 20, 2020 and post FAQs with responses on May 22, 2020. Please submit all questions to Mark Southard, Community Development Manager at DHCDCommunityDevelopmentBlockGrant@mass.gov by close of business May 20, 2020. Please put *CDBG-CV NOFA Questions*, in the subject line of the email. DHCD may also hold a conference call to answer questions related to this NOFA, and will inform the public on DHCD's website at https://www.mass.gov/service-details/community-development-block-grant-cdbg.

VI. CDBG-CV Application Timeline

NOFA Posted: May 15, 2020

Questions due: May 20, 2020

FAQs distributed: May 22, 2020

Applications due: June 5, 2020

Applications must be submitted only by email to Mark Southard, Community Development Manager at DHCDCommunityDevelopmentBlockGrant@mass.gov no later than 5:00 PM on June 5, 2020. Please put **CDBG-CV NOFA Application**, in the subject line of the email.

Note: DHCD may accept rolling applications after the deadline, pending funding availability.

EXHIBIT 1 LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS (ineligible to apply under this NOFA)

Federal Fiscal Year 2019

ARLINGTON MALDEN ATTLEBORO **MEDFORD** BARNSTABLE **NEW BEDFORD BOSTON** NEWTON

BROCKTON NORTHAMPTON BROOKLINE PEABODY

CAMBRIDGE **PITTSFIELD** CHICOPEE PLYMOUTH FALL RIVER QUINCY **FITCHBURG REVERE** FRAMINGHAM SALEM

GLOUCESTER SOMERVILLE HAVERHILL **SPRINGFIELD** HOLYOKE **TAUNTON** LAWRENCE **WALTHAM** LEOMINSTER WESTFIELD LOWELL WEYMOUTH LYNN WORCESTER

YARMOUTH